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LC Logistics, Inc.

乐舱物流股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2490)

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF TWO VESSELS

INTRODUCTION

The Board is pleased to announce that on 2 September 2024, Bal Container, a subsidiary of the Company, entered into the Heads of Agreements with Lecang Fantasy, pursuant to which, Lecang Fantasy shall novate all rights and obligations under the Shipbuilding Agreements to Bal Container pursuant to the Novation Agreements while Bal Container shall pay to Lecang Fantasy a consideration in the aggregate amount of US\$57.92 million, equivalent to the First Instalment (as defined below) already been paid by Lecang Fantasy to China Shipbuilding and Jiangnan Shipyard pursuant to the terms of the Shipbuilding Agreements.

In light of the Heads of Agreements, on the same date, Bal Container, Lecang Fantasy, China Shipbuilding and Jiangnan Shipyard entered into the Novation Agreements, pursuant to which, Lecang Fantasy shall be substituted in place of Bal Container as the purchaser under the Shipbuilding Agreements and Bal Container shall take over and assume all the rights and obligations of Lecang Fantasy under the Shipbuilding Agreements.

LISTING RULES IMPLICATIONS

The transactions contemplated under the Heads of Agreements and the Novation Agreements will constitute an acquisition of the Vessels by the Group. As one or more of the applicable percentage ratios in respect of thereof exceeds 100%, the transactions contemplated under the Heads of Agreements and the Novation Agreements constitute a very substantial acquisition for the Company and is subject to the reporting and announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Lecang Fantasy being a company indirectly wholly owned by Mr. Xu Xin, an executive Director and one of the Controlling Shareholder, is a connected person of the Company under the Listing Rules. The transactions contemplated under the Heads of Agreements and the Novation Agreements also constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of thereof exceed 5%, the transactions contemplated under the Heads of Agreements and the Novation Agreements is subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company will convene and hold the EGM for the purpose of, among other things, considering and if thought fit, approving the Heads of Agreements and Novation Agreements.

INTRODUCTION

The Board is pleased to announce that on 2 September 2024, Bal Container, a subsidiary of the Company, entered into the Heads of Agreements with Lecang Fantasy, pursuant to which, Lecang Fantasy shall novate all rights and obligations under the Shipbuilding Agreements to Bal Container pursuant to the Novation Agreements while Bal Container shall pay to Lecang Fantasy a consideration in the aggregate amount of US\$57.92 million, equivalent to the First Instalment (as defined below) already been paid by Lecang Fantasy to China Shipbuilding and Jiangnan Shipyard pursuant to the terms of the Shipbuilding Agreements.

In light of the Heads of Agreements, on the same date, Bal Container, Lecang Fantasy, China Shipbuilding and Jiangnan Shipyard entered into the Novation Agreements, pursuant to which, Lecang Fantasy shall be substituted in place of Bal Container as the purchaser under the Shipbuilding Agreements and Bal Container shall take over and assume all the rights and obligations of Lecang Fantasy under the Shipbuilding Agreements.

HEADS OF AGREEMENTS

The principal terms of the Heads of Agreements are identical in all material respect, which are summarized as follows:

Date: 2 September 2024

Parties: Lecang Fantasy; and
Bal Container

Subject Matter: Lecang Fantasy shall novate all rights and obligations under the Shipbuilding Agreements to Bal Container pursuant to the Novation Agreements while Bal Container shall pay to Lecang Fantasy a consideration in the aggregate amount of US\$57.92 million, equivalent to the First Instalment (as defined below) already been paid by Lecang Fantasy to China Shipbuilding and Jiangnan Shipyard pursuant to the terms of the Shipbuilding Agreements.

Purchase Price: Bal Container shall pay US\$57.92 million (the “**First Instalment**”) in aggregate for the Vessels, representing 20% of the total purchase price contemplated under the Shipbuilding Agreements, within five banking days upon receipt by Bal Container of the refund guarantee acknowledgment (the “**Refund Guarantee Acknowledgment**”) provided by the refund guarantor (the “**Refund Guarantor**”) designated by Jiangnan Shipyard and China Shipbuilding under the Shipbuilding Agreements for the purpose of guaranteeing the refund of the First Instalment paid for the purchase of the Vessels pursuant to the Shipbuilding Agreements.

The remaining instalments being US\$231.68 million for the purchase of the Vessels shall be paid by Bal Container to Jiangnan Shipyard and China Shipbuilding pursuant to the terms of the Shipbuilding Agreements.

Conditions Precedent: The obligations of Bal Container are conditional on the following conditions precedent being satisfied or expressly waived in writing by the parties to the Heads of Agreements:

- (i) the execution of the Heads of Agreements by Lecang Fantasy and Bal Container;
- (ii) the approval by the Independent Shareholders;
- (iii) due execution and effectiveness of the Novation Agreements; and
- (iv) receipt by Bal Container of the Refund Guarantee Acknowledgment.

NOVATION AGREEMENTS

The principal terms of the Novation Agreements are identical in all material respect, which are summarized as follows:

Date: 2 September 2024

Parties: Lecang Fantasy;
Bal Container;
Jiangnan Shipyard; and
China Shipbuilding

Subject Matter: Lecang Fantasy shall be substituted in place of Bal Container as the purchaser under the Shipbuilding Agreements and Bal Container shall take over and assume all the rights and obligations of Lecang Fantasy under the Shipbuilding Agreements. The First Instalment paid by Lecang Fantasy shall be deemed as being paid by Bal Container while the second instalment (in the amount of US\$28.96 million in aggregate) (the “**Second Instalment**”), the third instalment (in the amount of US\$28.96 million in aggregate) (the “**Third Instalment**”) and the fourth instalment (in the amount of US\$173.76 million in aggregate) (the “**Fourth Instalment**”) and any further cost or expenses shall be paid by Bal Container pursuant to the Shipbuilding Agreements.

Subject to the terms and conditions of the Novation Agreements, Jiangnan Shipyard and China Shipbuilding shall procure the Refund Guarantor to issue the Refund Guarantee Acknowledgment in favour of Bal Container.

Guarantee: The Bal Container shall engage a first class international bank to secure its payment obligations (the “**Payment Guarantee**”) for the Second Instalment and the Third Instalment in favour of Jiangnan Shipyard and China Shipbuilding before 20 November 2024.

Conditions Precedent: The Novation Agreements shall only become effective upon the satisfaction of the following condition precedents:

- (i) the execution of the Novation Agreements;
- (ii) approval by the Independent Shareholders at the EGM;
- (iii) receipt by Bal Container of the Refund Guarantee Acknowledgment;
and
- (iv) receipt by Jiangnan Shipyard and China Shipbuilding of the Payment Guarantee.

Long Stop Date: If, due to any reason whatsoever, any of the aforesaid condition precedents fail to be fulfilled on or by 4:00 p.m. of 31 December 2024 (Beijing time) at the latest, the Novation Agreements shall become null and void and having no effect whatsoever and no party shall be liable to the other for any loss or damage (if any) whether under the Novation Agreements or under any applicable law.

SHIPBUILDING AGREEMENTS

The principal terms of the Shipbuilding Agreements are identical in all material respect, which are summarized as follows:

- Date:** 6 June 2024
- Parties:** Lecang Fantasy (as purchaser);
Jiangnan Shipyard; and
China Shipbuilding (together with Jiangnan Shipyard, as seller)
- Subject Matter:** Jiangnan Shipyard and China Shipbuilding shall build, launch, equip and complete the Vessels with specifications as fully described in the Shipbuilding Agreements, and sell and deliver to Lecang Fantasy the Vessels after their completion and trial.
- Description:** Each of the Vessels is a 14,000 TEU container vessel, at scantling draft moulded of 17.0 meters. The guaranteed service speed is to be not less than 22.0 nautical miles per hour. The Vessel is to have a deadweight of not less than 155,000 metric tons at the scantling draft moulded of 17.0 meters in sea water of 1.025 specific gravity at even keel condition.
- Payment:** The purchase price of the Vessels is US\$289.6 million in aggregate (US\$144.8 million for each Vessel). The First Instalment being US\$57.92 million in aggregate has been paid by Lecang Fantasy pursuant to the terms and condition of the Shipbuilding Agreements.
- The Second Instalment being US\$28.96 million in aggregate shall become due and payable within three banking days after the cutting of the first steel plate of the Vessels and the purchaser's receipt of the refund guarantee provided by the refund guarantor designated by Jiangnan Shipyard and China Shipbuilding under the Shipbuilding Agreements for the purpose of guaranteeing the refund of the Second Instalment and Third Instalment to be paid for the purchase of the Vessels pursuant to the Shipbuilding Agreements.
- The Third Instalment being US\$28.96 million in aggregate shall become due and payable within three banking days after keel-laying of the first section of the Vessels.
- The Fourth Instalment being US\$173.76 million in aggregate and other cost or expenses (if any) shall become due and payable concurrently with delivery of the Vessels.
- Expected delivery date:** The Vessels shall be delivered safely afloat by Jiangnan Shipyard and China Shipbuilding to the purchaser at the Jiangnan Shipyard's shipyard.

THE CONSIDERATION

The total consideration for the acquisition of the Vessels are US\$289.6 million comprising (i) US\$57.92 million payable to Lecang Fantasy which is equivalent to the First Instalment paid by Lecang Fantasy to China Shipbuilding and Jiangnan Shipyard; and (ii) US\$231.68 million payable to China Shipbuilding and Jiangnan Shipyard pursuant to the terms of the Shipbuilding Agreements.

The purchase price of the Vessels being US\$289.6 million was determined by reference to (i) the valuation of the Vessels being approximately US\$327.57 million in aggregate as at 28 February 2027 (the “**Base Date**”) (being the expected delivery date for the Vessels) (being approximately US\$163.79 million for each Vessel) valued by Shanghai Gillion Assets Appraisal Co., Ltd. (“**Shanghai Gillion**”), an independent valuer by using the cost approach; and (ii) the market intelligence gathered by the Company from shipbrokers and its own analysis of recently concluded sale and purchase transactions of vessels of comparable size in the market.

Shanghai Gillion is a professional appraisal institution approved by Shanghai State Owned Assets Management Office since 1996 and holds an appraisal qualification certificate issued by the Bureau of Finance of Shanghai. It has the qualifications for various appraisal including but not limited to enterprise appraisal, real estate appraisal, intangible assets appraisal, machinery and equipment appraisal.

There are three generally-adopted methods for appraising the asset value, namely the market approach, the income approach, and the cost approach. These three approaches measure asset value from different perspectives. Theoretically, in a perfect scenario, the results yielded by the three approaches should be nearly identical. However, due to market conditions, the purpose of the appraisal, the target being evaluated, the information available, the outcomes of these three approaches can vary significantly.

The market approach will require sufficient information and comparable transactions for determining the value of asset. However, there are very limited ultra large container vessel transactions for comparison in the market. Meanwhile, there are many factors which may affect the value of a vessel including but not limited to the age, the size, the equipment, the shipyard where the vessel was originally built and the date for next drydocking inspection. Such information is private to the transaction parties and may not be obtained by the Company for comparison purpose. Thus the market approach is not practicable for appraising the value of the Vessels. Meanwhile, as the Vessels are still under construction and no income has been generated by the Vessels in the past, the income approach is also not appropriate for appraising the value of the Vessels. By contrast, the cost approach is to inquire the market price of the target asset as at the base date. Pursuant to the cost approach, the value of asset is calculated by the sum of the replacement cost of the asset on the base date, management costs, and capital costs which is a more appropriate methodology for appraisal of the Vessels under the construction. The key assumptions for appraising the value of the Vessels include (i) the Vessels can be completed and delivered according to the schedule; and (ii) the cost standard, interest rate, exchange rate and tax rate as of the Base Date is consistent with that on the date of the appraisal report (the “**Appraisal Report**”) prepared by Shanghai Gillion.

Having reviewed the Appraisal Report and the analysis (including the explanatory notes to the Appraisal Report) prepared by Shanghai Gillion, the Board is of view that valuation (including the cost approach and relevant multiples adopted) is fair and reasonable.

The market intelligence mentioned above are gathered by the Company from market reports (the “**Market Reports**”) issued from time to time by prestigious shipbrokers with worldwide presence including Clarksons and MB Shipbrokers. The Company has referred to the recent containership newbuilding price assessment data in the Market Reports, according to which, during April 2024 to July 2024, the worldwide newbuilding price for containership with a size of 13,000 TEU to 15,000 TEU are ranging from US\$148.5 million to US\$173 million (the “**Comparable Quotations**”).

Clarksons is a shipbroking group in London and operates throughout the worldwide. Clarksons also provides research services and is a market leader in providing timely and authoritative information in all aspects of shipping. By leveraging its global presence, Clarksons’ intelligence covers over 150,000 vessels worldwide. MB Shipbrokers is a professional shipbrokers company specializing in providing buying, selling, chartering and ship management services to the global shipping industry. MB Shipbrokers has an extensive market network and deep industry knowledge, and is committed to providing customers with personalized solutions to meet their diverse needs in ship transactions. Compared with Clarksons, MB Shipbrokers is more active in the field of ship buying and selling, whose reports can quickly reflect the latest developments in the market. Meanwhile, MB Shipbrokers has a good professionalism in specific areas research especially transaction of ultra-large containership in Asian-Pacific. After considering the factors above, the Board is of the view that despite the Comparable Quotations may not be exhaustive, the intelligence as contained in the Market Reports is representative and authoritative.

It is currently expected that the purchase price of the Vessels will be primarily funded by internal resources of the Group including the profit generated from the operation of the Group and by external financing. The Company confirms it will not use the proceeds from its listing on the Stock Exchange to settle the purchase price of the Vessels.

THE TWO VESSELS

As the Vessels are still under construction pursuant to the Shipbuilding Agreements, no net profits were attributable to the Vessels. The unaudited net book value of the Vessels as at 31 July 2024 is expected to be US\$57.92 million, which is equivalent to the First Instalment paid by Lecang Fantasy to Jiangnan Shipyard and China Shipbuilding pursuant to the Shipbuilding Agreements as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE NOVATION

The Group is an integrated cross-border seaborne logistics service provider in the PRC. The Group currently operates a self-owned fleet of vessels. In the past years, the Group generally utilized its shipping capacity in time charter services after securing sufficient shipping capacity for its integrated cross-border logistics services, with reference to market conditions and charter rates. The Group may adjust its allocation of shipping resources between two business lines based on market conditions from time to time.

Purchasing ultra large vessels has a high entry barrier as the capable shipbuilders is limited and any order for construction will subject to the capacity of the shipbuilders. A buyer needs to have strong overall credibility and competency to operate vessels at this level of capacity. The Novation represents a good opportunity for the Group to further expand its fleet of vessels, achieve economies of scale and enhance its competitiveness and profitability.

Given the Group's experience in operating deep-sea routes, the Directors believe the Vessels will be able to supplement its existing fleet of vessels and allow the Group to significantly reduce its cost of sales per TEU, offer a competitive price to its customers and improve its sustainability in light of the current volatile market conditions. When demand for cross-border logistics services is high, the Group may deploy the Vessels to a variety of major routes to provide self-operated cross-border logistics service. When the market condition is fluctuating, the Group may consider chartering out the Vessels to maintain stable profitability due to their good adaptability and economies of scale.

In view of the above, the Directors (excluding the independent non-executive Directors whose view will be expressed after considering the advice from the Independent Financial Adviser) consider that, the Heads of Agreements and Novation Agreements are not entered into during the ordinary and usual course of business of the Group but the terms of which are on normal commercial terms and are fair and reasonable, in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE PARTIES TO THE HEADS OF AGREEMENTS, NOVATION AGREEMENTS AND SHIPBUILDING AGREEMENTS

Information on the Group and Bal Container

The Group is an integrated cross-border seaborne logistics service provider in the PRC, the Shares of which are listed on the Main Board of the Stock Exchange.

Bal Container is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of cross-border transportation services. Bal Container is indirectly wholly-owned by Shandong Lcang. Shandong Lcang is a company established in the PRC with limited liability and is principally engaged in the provision of cross-border transportation services. Shandong Lcang is an approximately 99%-owned subsidiary of the Company and the remaining approximately 1% equity interests of Shandong Lcang is indirectly held by 40 shareholders, each of whom is an Independent Third Party save for Mr. Zhao Chengbin (趙成斌) who is uncle-in-law of Ms. Zhu Jiali (an executive Director) and indirectly held less than 0.5% of the total equity interests of Shandong Lcang as at the date of this announcement.

Information on Lecang Fantasy

Lecang Fantasy, a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the investment holding. As at the date of this announcement, Lecang Fantasy is indirectly wholly owned by Mr. Xu Xin, an executive Director and one of the Controlling Shareholder. Thus, Lecang Fantasy is a connected person of the Company under Chapter 14A of the Listing Rules.

Information on China Shipbuilding and Jiangnan Shipyard

China Shipbuilding is a corporation organized and existing under the laws of the PRC and is principally engaged in the trading of ships and related equipment. China Shipbuilding is indirectly wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) in the PRC.

Jiangnan Shipyard is a corporation organized and existing under the laws of the PRC and is principally engaged in the construction of ships. Jiangnan Shipyard is a wholly-owned subsidiary of China CSSC Holdings Limited (中國船舶工業股份有限公司), a company listed on Shanghai Stock Exchange (Stock Code: 600150).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, China Shipbuilding, Jiangnan Shipyard and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

The transactions contemplated under the Heads of Agreements and the Novation Agreements will constitute an acquisition of the Vessels by the Group. As one or more of the applicable percentage ratios in respect of thereof exceeds 100%, the transactions contemplated under the Heads of Agreements and the Novation Agreements constitute a very substantial acquisition for the Company and is subject to the reporting and announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Lecang Fantasy being a company indirectly wholly owned by Mr. Xu Xin, an executive Director and one of the Controlling Shareholder, is a connected person of the Company under the Listing Rules. The transactions contemplated under the Heads of Agreements and the Novation Agreements also constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of thereof exceed 5%, the transactions contemplated under the Heads of Agreements and the Novation Agreements is subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

BOARD APPROVAL

At the Board meeting held to approve the Heads of Agreements and Novation Agreements, Mr. Xu Xin and Ms. Li Yan, who have material interests in the Novation, have abstained from voting on the relevant Board resolution. Apart from Mr. Xu Xin and Ms. Li Yan, none of the Directors has or is deemed to have a material interest in the Heads of Agreements and Novation Agreements and is required to abstain from voting on the relevant Board resolution approving the Heads of Agreements and Novation Agreements.

GENERAL

The Company will convene and hold the EGM for the purpose of, among other things, considering and if thought fit, approving the Heads of Agreements and Novation Agreements.

Voting at the EGM will be conducted by way of poll. The Controlling Shareholders, who together holds 158,553,294 Shares pursuant to the Acting in Concert Deed, representing approximately 55.39% of the entire issued share capital of the Company, shall abstain from voting on the proposed resolution approving the Heads of Agreements and Novation Agreements and the transactions contemplated thereunder at the EGM. The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the terms of the Heads of Agreements and the Novation Agreements. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Heads of Agreements and the Novation Agreements.

A circular containing, among others, (i) further details of the Heads of Agreements, Novation Agreements and Shipbuilding Agreements; (ii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding its advice on the terms of the Heads of Agreements and the Novation Agreements; (iii) the recommendations from the Independent Board Committee to the Independent Shareholders; and (iv) a notice of the EGM to be convened and held to approve, inter alia, the Heads of Agreements and Novation Agreements will be despatched to Shareholders in accordance with the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, capitalized terms used in this announcement shall have the meanings as follows:

“Acting in Concert Deed”	the acting in concert deed dated 15 October 2022 and executed by Mr. Xu Xin (許昕), Ms. Li Yan (李艷) and Ms. Liu Quanxiang (劉泉香), details of which have been disclosed in the Prospectus
“Bal Container”	Bal Container Line Co., Limited, a company incorporated in Hong Kong with limited liability
“Board”	the board of directors of the Company
“China Shipbuilding”	China Shipbuilding Trading Co., Ltd. (中國船舶工業貿易有限公司), a corporation organized and existing under the laws of the PRC
“Company”	LC Logistics, Inc. (樂艙物流股份有限公司), an exempted company incorporated in the Cayman Islands with limited liability
“Controlling Shareholders”	Mr. Xu Xin, Ms. Li Yan, Ms. Liu Quanxiang, Lecang Boundless Limited, Lecang Fantasy, Grand Sailing Limited, Lecang Altitude Limited, Peace Seaworld Limited, Lecang Shining Limited, Spring Wealth Limited, Lecang Flourishing Limited and Glorious Sailing Limited
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held and convened for the purpose of, among other things, considering and, if thought fit, approving the Heads of Agreements and Novation Agreements and the transactions respectively contemplated thereunder, or any adjournment thereof
“Group”	the Company and its subsidiaries
“Heads of Agreements”	the two heads of agreements dated 2 September 2024, which are identical in all material respect, entered into among Lecang Fantasy and Bal Container, in relation to the novation of all rights and obligations under the Shipbuilding Agreements for the order for construction of the Vessels to Bal Container

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, namely Dr. Gu Lin, Mr. Du Haibo, and Mr. Qi Yinliang, to advise the Independent Shareholders in respect of the Novation
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), and appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Novation
“Independent Shareholders”	independent shareholders of the Company who do not have a material interest in the Novation
“Independent Third Party(ies)”	individual(s) or company(ies) which, to the best of our Directors’ knowledge, information, and belief, having made all reasonable enquiries, is/are independent of the Company and its connected persons
“Jiangnan Shipyard”	Jiangnan Shipyard (Group) Co., Ltd. (江南造船(集團)有限責任公司), a corporation organized and existing under the laws of the PRC
“Lecang Fantasy”	Lecang Fantasy Limited, a company incorporated in the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Novation”	the novation of all rights and obligations under the Shipbuilding Agreements to Bal Container pursuant to the Novation Agreements
“Novation Agreements”	the two novation agreements dated 2 September 2024, which are identical in all material respect, entered into among Lecang Fantasy, Bal Container, China Shipbuilding and Jiangnan Shipyard in relation to the novation of all rights and obligations under the Shipbuilding Agreements for the order for construction of the Vessels to Bal Container
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus of the Company dated 13 September 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Lcang”	Shandong Lcang International Logistics Inc. Corp. Ltd (山東樂艙網國際物流股份有限公司), a company established in the PRC with limited liability

“Share(s)”	the shares of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shipbuilding Agreement(s)”	the two shipbuilding agreements dated 6 June 2024, entered into among the Lecang Fantasy, China Shipbuilding and Jiangnan Shipyard in relation to the order for construction of the Vessels
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TEU(s)”	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of eight feet six inches and width of eight feet
“US\$”	United States dollar, the lawful currency of the United States of America
“Vessel(s)”	the two large container vessels, with Hull No. H2871 and Hull No. H2872 respectively, each with a capacity of 14,000 TEUs under construction as contemplated under the Shipbuilding Agreements
“%”	per cent

By Order of the Board
LC Logistics, Inc.
Mr. Xu Xin
Chairman of the Board

Hong Kong, 2 September 2024

As at the date of this announcement, the Board comprises Mr. Xu Xin, Ms. Li Yan, Ms. Zhu Jiali, and Mr. Yu Zhenrong as executive Directors, Dr. Gu Lin, Mr. Du Haibo, and Mr. Qi Yinliang as independent non-executive Directors.